Government of
Saskatchewan

Annual Report
2004-2005

Saskatchewan Health
Information Network

An Agency of the
Health Information Solutions
Centre at Saskatchewan Health

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105-06520/

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Letter of Transmittal

Regina, Saskatchewan
March 31, 2005

To Her Honour Lynda Haverstock
The Lieutenant Governor of the Province
of Saskatchewan

I have the honour of submitting herewith the Annual Report of the Saskatchewan Health Information Network (SHIN) for the year ending March 31, 2005, including the financial statements duly certified by auditors for the Corporation, and in the form approved by the Treasury Board, all in accordance with *The Crown Corporations Act, 1993*.

Respectfully submitted,

Honourable John T. Nilson, Q.C.
Minister of Health

Letter from the Board Chair

2004/05 was a pivotal year in advancing the development and implementation of health information technologies in Saskatchewan, which are improving the quality, access and effectiveness of front-line health services.

Through the integration of the SHIN Corporation into the new Health Information Solutions Centre (HISC) in 2003, we are very well positioned to move forward. Our progress this past year reflects the stronger, more cohesive and comprehensive approach we have taken in our province to utilizing information technologies, such as electronic health records and telehealth, in supporting improvements in the delivery of health services through The Action Plan for Saskatchewan Health Care.

In the past year, we were able to leverage the earlier investments in our province-wide network, systems solutions and infrastructure to support the extension of renal dialysis, telehealth and clinical information systems to new locations in our health regions. Through the active engagement of our health regions and professionals in setting priorities and coordinating planning for the introduction of new electronic health record technologies, we were also successful in securing funding from Canada Health Infoway to launch a number of important new projects. New projects such as the Pharmaceutical Information Program (PIP), the first phase of which will be implemented later this year, demonstrate the benefits of Saskatchewan's approach in working closely with our health delivery partners to introduce innovative and highly effective technologies for improving the health of our citizens.

Lawrence Krahn
Board Chair - SHIN

Letter from the CEO

2004/05 was the first full year during which SHIN operated as an agency of the new Health Information Solutions Centre (HISC) at Saskatchewan Health. This integration of SHIN staff and operations into the new Centre allowed us to reduce the costs of administering the corporation, while adding important new capabilities to the information technology services SHIN provides to our health regions and other health sector customers.

During the year, a number of milestones were reached. The implementation of the Saskatchewan Surgical Patient Registry, the first system of its kind in the country and one in which the information technology was developed by HISC, has attracted interest from several provinces. The management of waiting lists is an increasingly important issue for health systems across the country. This registry utilizes an innovative approach to capturing information on patients waiting for services across the province so that surgical waiting times can be managed more effectively and resources allocated accordingly.

Utilizing the SHIN's provincial network, the Health Information Solutions Centre was able to provide more services to more locations over the past year, through the introduction of new technologies and the continuing diligence of HISC staff in reducing the unit cost of existing services. The number of health care sector staff utilizing the network and its services grew nearly 20 percent during the past year, with even more rapid growth occurring in the number of service points enabled by technology for telehealth and renal dialysis - services which improve the access to care in rural Saskatchewan.

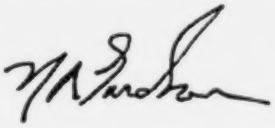
In 2004/05, we were able to extend the home care system to a further three health regions (Keewatin Yatthé, Kelsey Trail, and Mamawetan-Churchill River) bringing the number of regions with this new system to 10. In addition, a central patient index system was implemented in the Prairie North Health Region (North Battleford); and in the Sunrise Health Region the first transcription system was implemented.

This past year was also a very important one in establishing the foundation for the electronic health records (EHR) program in Saskatchewan. The investments made by Saskatchewan Health, through SHIN, have developed the network and a core of care provider information systems that will now enable the development of electronic health record solutions across the province in the years ahead. The EHR program will ensure authorized front-line care providers have access the information they need in treating their patients - improving the quality, access and effectiveness of health care services across the province into the future.

Through SHIN, the Health Information Solutions Centre is leading several new electronic health records projects in Saskatchewan, in partnership with Canada Health Infoway (Infoway), which was established to accelerate the development of electronic health records in Canada. Through our partnership with Infoway, we attracted $4.5 million in funding to advance the establishment of province-wide EHR solutions in 2004/2005 for Client and Provider Registry, Pharmaceutical and Diagnostic Imaging Information system projects.

The year ahead promises to be a very busy one. $15.5 million was received late in the year to begin several new projects and to accelerate the pace of existing implementations of information systems in the health regions. The first phases for projects in the EHR program, such as the Pharmaceutical Information Program, are expected to be implemented and planning for other projects in areas such as Diagnostic Imaging and Laboratory will be advanced.

I am again looking forward to working with our staff and with our health regions and health sector partners in advancing implementation of our province's innovative and vital agenda in this area to improve the health of our citizens.



Neil Gardner
Chief Executive Officer - SHIN

Vision, Mission and Values

Vision

Improving the health of residents of Saskatchewan through health information technology leadership.

Mission

Linking information electronically for better decisions.

Values

The Health Information Solutions Centre (HISC), which includes SHIN, believes in:

- Excellence through innovation, creativity, continuous learning and recognition of achievements;
- Collaboration and team work;
- Accountability for all;
- Honesty, openness and respect for all of our relationships;
- Actions which are client-centred and results-oriented;
- The security of information and the privacy of individuals;
- Providing equitable access to information for its customers;
- Focusing on a phased or evolutionary process; and
- Fostering development of information technology in the Saskatchewan health-care sector.

Health Information Network Development

The provincial health information network connects health care providers across the province, ensuring they have access to timely, pertinent and available information in caring for their patients. Through SHIN, the health information network continues to be developed in collaboration with the health regions and health professionals across the province. This approach ensures that technology investments in the health sector are coordinated with the regions to determine the best way to deploy emerging information technologies for the benefit of the citizens of the province.

As part of this process, Health Information Solutions Centre (HISC) staff continue to work with other provincial partners on extending the development of the high-speed, province-wide telecommunications network (CommunityNet) connecting schools, regional colleges, health facilities, public libraries and government offices. A key focus of the work continues to be on extending secure network technologies to further health care locations across the province.

Currently, all regions and more than 800 health service locations are connected to the health information network through CommunityNet connections and other secure telecommunication technologies.

The network provides health care professionals with access to clinical information systems and supports the telehealth network, which enables health providers to consult and treat patients remotely. It also provides e-mail infrastructure to all health regions and retail pharmacies across the province, enabling health sector staff to communicate electronically in coordinating the care of their patients.

Technology Support Services

Service Desk

The Service Desk provides tier one or first line Help Desk support to users on all their computer problem calls. In addition, it provides support for all clinical information systems hosted in the HISC Data Centre.

To facilitate and support health care staff in making effective use of the provincial health information network and its supporting technologies, services and systems, HISC provides Service Desk services to the health sector.

As of March 31st, 2005, 9,400 health care staff across the provincial health sector had access to the HISC service desk.

To date, all health regions, as well as the College of Physicians and Surgeons of Saskatchewan, the Saskatchewan Cancer Agency, the Department of Family Medicine at the College of Medicine, and the Saskatchewan Registered Nurses' Association are utilizing this service. Of the over 48,000 calls received by the Service Desk in 2004-2005, less than 24,000 had to be dealt with by regional technical resources. This reduces the demand on scarce resources in the health sector as HISC Support Services staff directly resolve over 50% of the calls.

In 2004/2005 the annual survey of system users of Service Desk services found that 98.2% of respondents were generally satisfied with the service provided by the HISC Service Desk, with more than 63% indicating they received exceptional service.

The Service Desk operates between 7:00 a.m. and 9:00 p.m. on weekdays. In addition, on-call support for clinical systems hosted in the HISC Data Centre, is available 24 hours a day, 7 days a week.

Data Centre Hosting Environment

Through the Saskatchewan Health Information Network (SHIN), the Health Information Solutions Centre provides a secure hosting environment to support the work of its health sector partners. The central hosting environment reduces the need for IT equipment and system specific resource demands on regions.

This centre enables regions to share sophisticated system solutions. Each system is hosted centrally in the data centre and is securely accessed by regions over the health information network, reducing costs to the health sector and enabling better and more integrated patient care systems. These systems serve front-line health care professionals across the province.

Twenty systems are being centrally hosted for regions or agencies, including a long-term care assessment system accessed by more than 1,640 users in 124 long-term care facilities. The data centre also hosts a renal data management system accessed by 339 health care staff, and a long-term care electronic patient record used by 366 long-term care providers.

The data centre provides website services for health regions and is currently hosting seven different sites.

In 2003/2004, the data centre began hosting new lab, pharmacy and CPI registration systems, and new systems for provincial initiatives such as the Saskatchewan Surgical Care Network.

At the end of 2004/2005, other systems being used by health region staff included:

- Home Care Administration System: used by 387 staff in 10 health regions to better schedule and manage the care of 10,164 clients, recording information on nearly 900,000 home visits.
- Registration System: assists 359 staff in the admitting departments of four health regions to streamline admitting processes, registering 330,000 patients. As interfaces to other systems in the regions continue to be developed, there will be a significant reduction in the number of

times that staff need to capture this same information again when clients are being registered for other health services in the region.
- Laboratory Information System: captures lab test results directly from automated testing equipment and was used by 171 staff in five regions to more efficiently and quickly process over 509,333 lab specimens.
- Pharmacy System: used by 90 staff to fill over 500,000 prescriptions in 5 health regions.

Services of the data centre will continue to expand in 2005/2006 as the currently hosted systems are extended to more regions within the province, and as new province-wide clinical systems such as the Pharmaceutical Information Program (PIP) are implemented and integrated with these first regional systems.

Network Security

The security of health information remains a key focus. A number of resources and technologies are employed to maintain the security of patient information such as firewalls, intrusion-detection software, virus-detection measures, and encryption. These materials and procedures are vital in maintaining the security of information on the network and in the data centre.

In addition, with all new developments, work is done to develop policies and practices that increase the level of security around patient records and personal information, beyond what has existed with paper-based files. For example, strong authentication procedures ensure only authorized personnel have access to specific information. As well, audit trails provide the ability to determine when and who has accessed data and when.

An independent privacy assessment conducted for the SHIN Corporation in 2002/2003 found that the security controls on personal health information were extensive. The report made no recommendations for change or expansion to those controls.

Security is critical in the operation of the health information network and data centre, and it will remain a key focus of ongoing development and enhancement. Saskatchewan is working in collaboration with the other provinces and Canada Health Infoway to ensure that the highest levels of security are incorporated into our health information technology solutions as technologies continue to evolve.

The National Context

Significant developments have occurred in Canada over the past few years that support the need for electronic health record systems. Both the Romanow and Kirby Commissions identified the need for investments in information technology to improve access, effectiveness and quality of health care.

Saskatchewan has been an active member of the Western Health Information Collaborative (WHIC) since 1999/2000. Other WHIC members include Alberta, British Columbia, Manitoba, the Northwest Territories, Nunavut and the Yukon.

WHIC has been working together on common health information initiatives, and sharing lessons learned while implementing different facets of the technologies required to support a fully integrated health system. As a result, the WHIC partners learn from each other and move quickly and efficiently to solutions.

Increasing collaboration on electronic health record developments has been taking place across Canada with Canada Health Infoway (Infoway).

Infoway is an independent agency established by the First Ministers of the provincial, territorial and federal governments to accelerate the adoption of electronic health record solutions in Canada. To date, Infoway has received $1.2 billion from the federal government and has established nine programs for investing in components of the electronic health record initiatives taking place in each province.

In Saskatchewan, Infoway has provided funding for the expansion and implementation of a provider registry originally developed by WHIC in British Columbia. The provider registry has attracted national attention - both Health Canada and Infoway have provided funding for its development. The provider registry will mean that health facilities will no longer need to keep numerous paper lists of health care provider information, reducing the onerous task of updating these lists and facilitating referrals for services between care delivery locations.

Planning also began for three additional projects, which are receiving approval by Infoway for investment in Saskatchewan. These projects, described in the Provincial Electronic Health Record (EHR) section on page 11, are the Pharmaceutical Information Program, the Shared Client Index (Client Registry) and the Diagnostic Imaging Information Program. These information systems projects support provincial health care objectives identified as priorities by Saskatchewan Health and the health regions though our information technology planning process. With the support of Infoway, HISC is able to share and leverage the experience of other provinces, while receiving significant investment from Infoway to implement critical components of our electronic health record strategy in Saskatchewan.

In the coming year, implementations of new projects, now in the planning stages, will begin. The Health Information Solutions Centre expects to receive approval, and a funding commitment, from Canada Health Infoway for several additional projects.

Saskatchewan will continue to play a very active role in pan-Canadian health information initiatives and directions as these developments are consistent with our collaborative approach to leveraging new technologies in improving the health of our population.

Projects

Each year, the Health Information Solutions Centre (HISC) provides strategic leadership for advancing information technology solutions in support of health services throughout Saskatchewan to align with the priorities and plans of Saskatchewan Health, Regional Health Authorities, and other provincial stakeholders.

Projects are the primary vehicle for delivery of new systems and technology solutions to support health care. Consistently delivered through strong project management, these project initiatives advance our province's progress in ensuring health care professionals have secure access to the right information, at the right time and place.

HISC's project portfolio is based on Saskatchewan's health sector information technology priorities. These priorities are categorized in the following major program areas:

- Integrated Clinical Systems (ICS) Implementations;
- The provincial Electronic Health Record (EHR) solutions; and
- Support for The Action Plan for Saskatchewan Health Care.

Integrated Clinical Systems Implementations (ICS)

HISC works with the regional health authorities to implement common, shared patient care computer systems that support front-line delivery through a program called Integrated Clinical Systems.

The Integrated Clinical System (ICS) coordinates home care, central patient index / registration, laboratory, transcription and pharmacy systems. In some regions, existing systems are being upgraded, while in others, processes that are currently being completed manually are being automated. The new systems are hosted at the HISC data centre in Regina, and accessed by regional staff over the health information network.

As a foundation of common applications is established, a common view application will enable authorized health providers to view a summary of relevant information about their patients quickly and securely. In the future, accurate and more complete patient information will be available to authorized care providers when and where they need it.

In 2004/2005, home care systems were implemented in the Keewatin Yatthé, Kelsey Trail, and Mamawetan Churchill River health regions. In the Prairie North Health Region (North Battleford Regional Hospital) a central patient index system was implemented. In the Sunrise Health Region, a transcription system was delivered, and planning the implementation of common view application was begun.

With the allocation of an additional $2 million for patient care system implementations in the fall of 2004, planning activities began for the following: central patient index systems for Prairie North (Lloydminster), Sun Country, Heartland and Mamawetan Churchill River health regions; laboratory systems for the Prairie North (Lloydminster) and Sun Country health regions; and a pharmacy system at the Canora and Kamsack hospitals in the Sunrise Health Region.

Figure 1 - ICS System Implementation

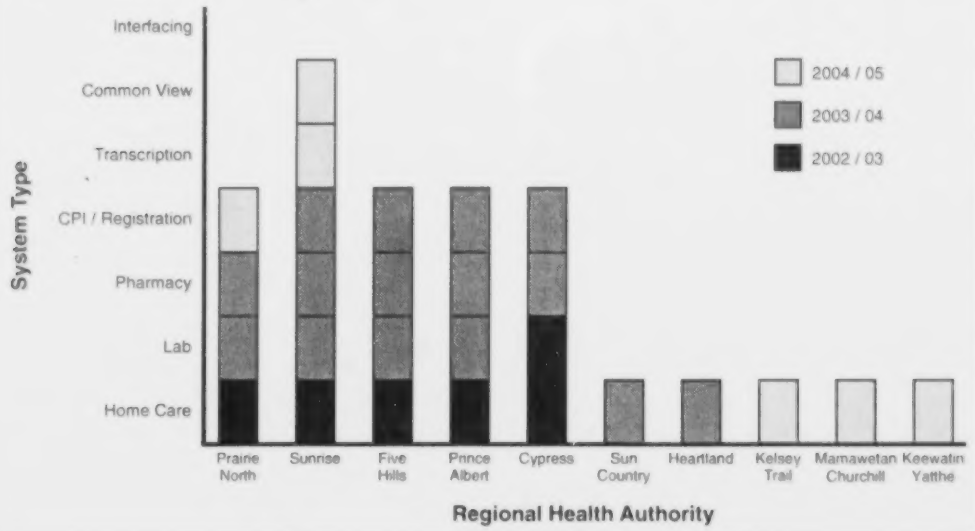
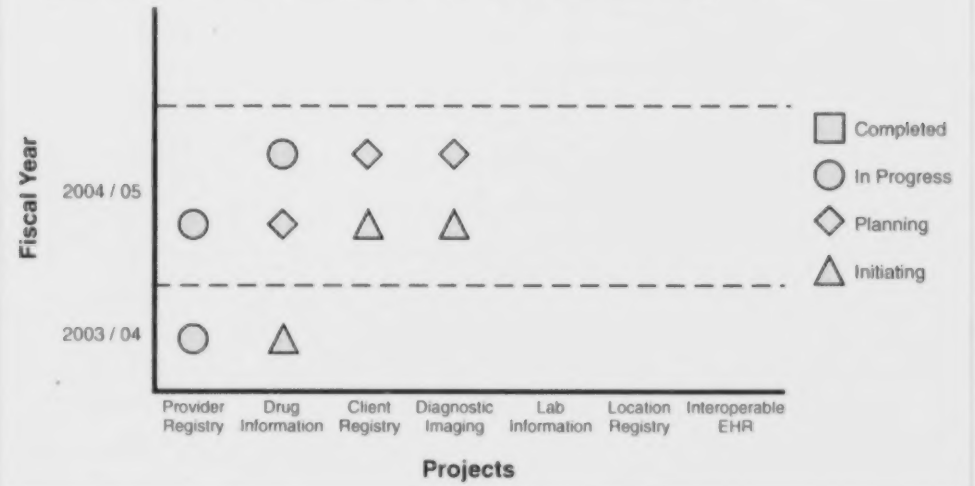


Figure 2 - Provincial Electronic Health Record Program



The Provincial Electronic Health Record (EHR)

Several projects were concurrently in progress during 2004/2005, establishing the foundation for the EHR program. As an agency of Health Information Solutions Centre, SHIN is leading these projects in Saskatchewan, in partnership with Canada Health Infoway (Infoway).
Infoway supports the development of electronic health records in Canada.

Through our partnership with Infoway, SHIN was able to leverage an additional $4.5 million of project funding to advance the establishment of province-wide EHR solutions in 2004/2005 (see table 1).

Table 1

Project Name	Project Description	Accomplished in 2004/2005
Pharmaceutical Information Program (Drug Information)	The Pharmaceutical Information Program (PIP) will provide health care professionals and patients with up-to-date drug information and tools to make optimal drug therapy decisions to improve the quality, safety and management of health care for Saskatchewan residents.	Through the involvement of a cross-section of physicians, pharmacists, nurses and other health professionals, the PIP project completed the definition of the clinical requirements for the medication profile viewer. Planning for viewer implementation in 2005/06 is underway.
Shared Client Index (Client Registry)	The Shared Client Index will be the trusted and timely source to confidently, accurately, securely and uniquely identify all persons who have contact with the health care system in Saskatchewan regardless of service, location, residency or insurance coverage.	Provincial client registry information requirements were identified and validated. A product was selected through a procurement process that will support Saskatchewan's requirements for electronic health records.
Diagnostic Imaging Information (RIS/PACS)	The objective of the Provincial RIS/PACS Initiative is to implement a common Radiology Information System (RIS) and Picture Archiving and Communications System (PACS) infrastructure for the Province to improve the delivery of diagnostic imaging services.	Working with Regional Health Authorities, HISC established the provincial vision for this important technology investment. Detailed planning and the development of an implementation strategy will follow in 2005/06 as this is a key component of provincial initiatives to improve diagnostic imaging services and reduce waiting lists.
Provider Registry	The Provider Registry System is a registry of core data about health care providers in the province, and facilitates secure and timely communication among health care providers through electronic health record technologies.	The next phase of implementation of this registry was completed along with the addition of two more provider sources. The software was also interfaced to the Pharmaceutical Information Program software.

Support of the Action Plan for Saskatchewan Health Care

In December 2001, the government released Healthy People. A Healthy Province. The Action Plan for Saskatchewan Health Care. The plan is our blueprint for building a province of healthy people and healthy communities.

Information and information technologies and management have an important role to play in enabling many of these key actions identified in the Action Plan. HISC is focused on developing innovative information technology solutions in the areas with the greatest potential to improve health service delivery. Several projects that are in progress support this plan. (see table 2)

Table 2

Project Name	Project Description	Accomplished in 2004/2005
OR Scheduling (Surgical Information)	HISC is assisting six health regions (Saskatoon, Five Hills, Cypress, Sunrise, Prince Albert and Prairie North) in implementing a common Surgical Information System. This system will assist the regions in scheduling patients for surgery and in managing their surgical services more effectively. Initially, the new system will integrate each region's patient registration and materials management systems, as well as the provincial surgical wait list registry.	HISC successfully completed the selection of an operating room scheduling system. Work is now underway to complete the detailed planning with the regions, including site assessments, in preparation for the first system implementations.
Telehealth	Telehealth technologies allow specialists to conduct consultations with patient, and provide education and support to local physicians. Using advanced video technologies across the health information network, these services support the delivery of health services in remote communities across the province.	Opportunities for utilizing telehealth technologies continue to increase (for tele-consultations, professional education and meetings). New services such as scheduling were added to enhance the delivery of this growing service channel.
Renal Management	The Renal Data Management System enables renal disease specialists in Regina and Saskatoon to remotely monitor the progress of patients. This service reduces the amount of travel necessary for patients living in these areas, who receive dialysis services at their local regional hospital.	HISC provided the technical support necessary for the renal data management system. Moose Jaw and North Battleford were added in 2004/2005 to existing sites in Yorkton, Tisdale, Prince Albert and Swift Current.
Saskatchewan Surgical Care Network (SSCN)	The Health Information Solution Centre provides technology services to the Saskatchewan Surgical Care Network (SSCN). A major component of the SSCN is the Surgical Patient Registry, which tracks patients needing surgery in the province and facilitates both the prioritization of individual patients for surgical procedures and the improved management of surgical capacity across the province.	During 2004/2005, HISC provided the information technology systems, infrastructure and support services necessary for the operation of the Surgical Patient Registry. Through this technology, the opportunity for better decision making and prioritization of health care needs in the province has been enhanced.

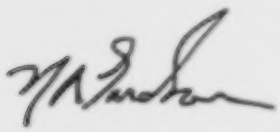
Management's Responsibilities

The accompanying financial statements included in the Annual Report for the year ended March 31, 2005, are the responsibility of management. Management has prepared these financial statements in accordance with Generally Accepted Accounting Principles in Canada, consistently applied using management's best estimates and judgments where appropriate.

The Board of Directors is responsible for overseeing the business affairs of the corporation and also has the responsibility for approving financial statements. The board fulfills these responsibilities by reviewing financial information prepared by management and discussing the relevant matters with management and external auditors.

Management maintains a system of internal controls to ensure the integrity of information that forms the basis of the financial statements. The internal controls provide reasonable assurance that transactions are recorded and executed in compliance with legislation and required authority, that assets are properly safeguarded and that reliable records are maintained.

The Provincial Auditor of Saskatchewan has audited the financial statements. His report to the members of the Legislative Assembly precedes the financial statements.



Neil Gardner
Chief Executive Officer - SHIN
June 1, 2005

Auditor's Report

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Saskatchewan Health Information Network as at March 31, 2005 and the statements of operations, change in net financial assets, and cash flows for the year then ended. The Corporation's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred Wendel, CMA, CA
Provincial Auditor

Regina, Saskatchewan
May 30, 2005

2004-2005 Financial Statements

Statement 1

Saskatchewan Health Information Network
Statement of Financial Position
as at March 31, 2005

(thousands of dollars)

	March 31, 2005	March 31, 2004
Financial Assets		
Due from General Revenue Fund (Note 3)	$ 17,006	$ 2,576
Receivable from Saskatchewan Health	2,697	1,716
Other Accounts Receivable	4,206	1,059
Note receivable - SaskTel (Note 7)	-	36
	23,909	5,387
Liabilities		
Accounts Payable and Accrued Liabilities	3,661	2,654
Obligation To Saskatchewan Opportunities Corporation	-	83
Deferred Revenue (Note 12)	18,673	1,194
Obligations Under Capital Leases (Note 7 & 10)	225	508
	22,559	4,439
Net Financial Assets (Statement 3)	1,350	948
Non-financial Assets		
Tangible Capital Assets (Note 5)	16,117	14,689
Prepaid Expenses	552	385
	16,669	15,074
Accumulated Surplus (Statement 2)	$ 18,019	$ 16,022

(See accompanying notes to financial statements)

Statement 2

Saskatchewan Health Information Network
Statement of Operations
for the year ended March 31, 2005

(thousands of dollars)

	March 31, 2005 (Budget-Note 4)	March 31, 2005	March 31, 2004
Revenue			
Grants from Saskatchewan Health	$ 12,380	$ 13,228	$ 12,100
Canada Health Infoway Funding	2,017	4,492	1,596
Operating Room Scheduling Funding	521	125	-
Interest and Other Revenue	1,205	1,769	2,015
	16,123	19,614	15,711
Expenses			
Salaries and Benefits	19	26	797
Purchased Services	590	842	754
Ongoing Operations	8,190	7,520	5,147
Amortization	-	6,382	6,150
Accommodation Expense	405	333	356
Miscellaneous Expense	122	173	207
CommunityNet	2,779	2,341	2,193
	12,105	17,617	15,604
Annual Surplus	$ 4,018	1,997	107
Accumulated Surplus, at beginning of year		16,022	15,915
Accumulated Surplus, at end of year (Statement 1)		$ 18,019	$ 16,022

(See accompanying notes to financial statements)

Statement 3

Saskatchewan Health Information Network
Statement of Change in Net Financial Assets
for the year ended March 31, 2005

(thousands of dollars)

	March 31, 2005	March 31, 2004
Annual Surplus	$ 1,997	$ 107
Acquisition of Tangible Capital Assets	(7,811)	(6,116)
Amortization of Tangible Capital Assets	6,382	6,150
	(1,429)	34
Use of Prepaid Expenses	(166)	(302)
	(166)	(302)
Increase/(decrease) in Financial Assets	402	(161)
Net Financial Assets, at beginning of year	948	1,109
Net Financial Assets, at end of year (Statement 1)	$ 1,350	$ 948

(See accompanying notes to financial statements)

Statement 4

Saskatchewan Health Information Network
Statement of Cash Flows
for the year ended March 31, 2005

(thousands of dollars)

	March 31, 2005	March 31, 2004
Cash Flows from Operating Activities		
Cash Receipts	$ 15,524	$ 13,795
Cash Paid To Suppliers	(10,368)	(7,767)
Cash Paid To Employees and Board Members	(26)	(797)
Cash Provided by Operating Activities	5,130	5,231
Cash Flows from Investing Activities		
Purchase Of Tangible Capital Assets	(7,811)	(6,116)
Cash Used in Capital Acquisitions for the year	(7,811)	(6,116)
Cash Flows from Financing Activities		
Decrease In Obligation To Saskatchewan Opportunities Corporation	(83)	(42)
Net Change In Deferred Revenue	17,479	565
Net Change in Obligations Under Capital Leases	(285)	(535)
Cash Provided by Financing Activities for the year	17,111	(12)
Net Increase/(decrease) in due from General Revenue Fund	14,430	(897)
Due from General Revenue Fund, beginning of the year	2,576	3,473
Due from General Revenue Fund, end of the year	$ 17,006	$ 2,576

(See accompanying notes to financial statements)

1. Description of Business

The Saskatchewan Health Information Network (SHIN) was established as a Treasury Board Crown Corporation by Order in Council 581/1997 under the provisions of *The Crown Corporations Act, 1993* (Act) effective August 19, 1997.

SHIN was created to design, implement, own, operate, and manage a Saskatchewan Health Information Network. SHIN's purpose is to foster the development of the health information technology sector, to foster re-engineering of health delivery processes and to protect health information as a strategic resource.

2. Significant Accounting Policies

These financial statements are prepared using Canadian generally accepted accounting principles appropriate for the public sector and reflect the following significant accounting principles:

a) The Basis of Accounting

The financial statements are prepared on the accrual basis of accounting.

b) Revenue

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues.

c) Expenses

Expenses represent the cost of resources consumed during the year for operations. Expenses include provision for the amortization of tangible capital assets.

d) Tangible Capital Assets

Tangible capital assets are recorded at cost and are amortized over their useful life. Amortization is recorded, commencing with the quarter after the assets are placed into service, on a straight-line basis at the annual rates set out below:

Desktop Computer Hardware	33%
Computer Software	33%
Network Hardware, Software & System Development costs	20%
Office Equipment	20%
Office Furniture	10%

e) Non-financial assets

Tangible capital and other non-financial assets are accounted for as assets because they can be used to provide services in future periods. These assets do not normally provide resources to discharge liabilities unless they are sold.

f) Measurement Uncertainty

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of financial assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

3. Due from the General Revenue Fund

SHIN's bank account is included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan.

Earned interest is calculated and paid by the General Revenue Fund on a quarterly basis into the Corporation's bank account using the Government's thirty-day borrowing rate and SHIN's average daily account balance.

4. Budget Approval

Saskatchewan Health Information Network's budget is approved by the Board.

5. Tangible Capital Assets

Tangible Capital Assets	Desktop Computer Hardware Software	Computer Network Hardware	Licensed or Multiple Application Software	Office Furniture/ Equipment	System Development Costs	March 31, 2005 Total	March 31,2004 Total
Opening Cost	$ 1,031	$ 3,430	$ 6,898	$ 77	$ 23,680	$ 35,116	$ 29,000
Additions During the Year	-	220	-	-	7,455	7,675	6,116
Closing Cost	1,031	3,650	6,898	77	31,135	42,791	35,116
Opening Accumulated Amortization	1,021	3,355	4,899	28	11,606	20,909	15,444
Annual Amortization	7	67	1,380	15	4,547	6,016	5,465
Closing Accumulated Amortization	1,028	3,422	6,279	43	16,153	26,925	20,909
Subtotal of Tangible Capital Assets	3	228	619	34	14,982	15,866	14,207
Leased Capital Assets							
Opening Cost	43	1,741	-	449	-	2,233	2,233
Additions During the Year	-	-	-	135	-	135	-
Closing Cost	43	1,741	-	584	-	2,368	2,233
Opening Accumulated Amortization	42	1,358	-	351	-	1,751	1,063
Annual Amortization	1	309	-	56	-	366	688
Closing Accumulated Amortization	43	1,667	-	407	-	2,117	1,751
Subtotal of Leased Capital Assets	-	74	-	177	-	251	482
Net Book Value of Tangible Capital Assets	$ 3	$ 302	$ 619	$ 211	$ 14,982	$ 16,117	$ 14,689

Included in the System Development Cost are $6,445 invested in systems that are currently not in production and therefore not amortized.

6. Maintenance Agreements for Software

SHIN has several agreements with software vendors to provide maintenance for software that has been purchased by SHIN. $1,723 (2004-$1,402) is committed (or paid) for the current year and will likely continue into the future.

7. Agreement with SaskTel

With the transition to a new Data Centre all prior obligations regarding the Data Centre Agreement with SaskTel have been discharged as reflected in the Financial Statements.

8. Related Parties

These financial statements include routine transactions with related parties. SHIN is related to all Saskatchewan Crown agencies such as departments, corporations, boards and commissions under the common control of the Government of Saskatchewan. Related party transactions to March 31, 2005, include the following:

	2005	2004
Revenue		
Regional Health Authorities	$ 127	$ -
Saskatoon Health Region (Telehealth Saskatchewan)	42	336
Accounts Receivable		
Regional Health Authorities	45	-
Saskatoon Health Region (Telehealth Saskatchewan)	-	79
Expenditures		
Regional Health Authorities	478	526
Saskatchewan Association of Health Organizations	22	24
Saskatchewan Opportunities Corporation	422	412
Saskatchewan Property Management	1,854	1,906
SaskTel	2,121	2,128
Other	22	20
Accounts Payable		
Regional Health Authorities	19	338
Saskatchewan Cancer Agency	1	-
Saskatchewan Opportunities Corporation	14	2
Saskatchewan Property Management	-	161
SaskTel	47	122

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and the notes thereto.

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms. In addition, SHIN pays Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases.

Saskatchewan Health provides management and technical services to Saskatchewan Health Information Network without charge.

9. Financial Instruments

SHIN's financial instruments include due from the General Revenue Fund, accounts receivable, note receivable and accounts payable. The carrying amount of these instruments approximates fair value due. These instruments have no interest or credit risk.

10. Capital Leases

SHIN has several leases on property and equipment. The minimum annual lease payments for capital leases over the final year are as follows:

Capital leases:

2006	235
2007	-
Total Minimum Lease Payments	235
Less Amount Representing Interest: (rates vary between 4.6% and 14.8%)	10
Balance of the Obligation	$225

11. Operating Leases

SHIN has entered into a lease agreement with Saskatchewan Opportunities Corporation, a related party, for office space, which expires on April 30, 2009. The operating lease payments for the following four years are as follows:

2006	164
2007	170
2008	176
2009	183
Total Lease Payments	$693

SHIN has entered into several lease agreements with Hewlett-Packard Financial Services Canada Company and GE VFS Canada Limited Partnership, for equipment. The operating lease payments over the next three years are as follows:

2006	280
2007	248
2008	117
Total Lease Payments	$645

12. Deferred Revenue

In the 2002 fiscal year, SHIN received $450 from Saskatchewan Health to work on an early childhood development project. In the current year, the remaining balance in the amount of $120 (2004-$323) was spent on the project.

In the 2003 fiscal year, SHIN received $249 from Saskatchewan Health to purchase software. In the current year, the remaining balance in the amount of $116 (2004-$71) was spent on the project.

In the 2004 fiscal year, SHIN received $304 from Saskatchewan Health to assist in the assessment and selection of a system to improve the coordination of EMS dispatch among the existing wide area dispatch centers. Currently, the completion date of this project is unknown.

In the 2004 fiscal year, SHIN received $45 from Saskatchewan Health to assist in the purchase and implementation of a West Nile Virus surveillance system dedicated to compiling and tracking data in response to the outbreak of this emerging infectious disease. The funds are expected to be used in 2006.

In the 2004 fiscal year, SHIN received $250 from Saskatchewan Health to assist in the development of a strategy, plan and to begin the implementation of a Shared Client Index (previously known as Client Registry). In the current year $84 was spent on the project, the remaining balance of $166 is to be spent in 2006.

Deferred Revenue continued

In the 2004 fiscal year, SHIN received $250 from Saskatchewan Health to assist in the development of a strategy, plan and to begin the implementation of the Pharmacy Information Program. The funds were used in 2005.

In the 2003 fiscal year, SHIN received $127 from the Regina Qu'Appelle Health Region, who were administering the implementation of Provincial Renal Data System ADT and Lab Interface Project on behalf of Saskatchewan Health. In the current year $14 (2004-$17) was spent on the project, the remaining balance of $96, is to be spent in 2006 when the project is expected to be completed.

In the 2005 fiscal year, SHIN received $1,000 from Saskatchewan Health to assist in the development of demand management tools and the development and implementation of a diagnostic wait list registry. These funds are expected to be used in 2006 and 2007.

In the 2005 fiscal year, SHIN received $2,410 from Saskatchewan Health to assist Regional Health Authorities, and other authorized agencies, with development of information technology solutions for primary health care teams in Saskatchewan. These funds are expected to be used in 2006 and 2007.

In the 2005 fiscal year, SHIN received $15,500 from Saskatchewan Health in which the remaining $14,652 is expected to be spent in 2006 and 2007 for Information Technology Projects that support frontline delivery and improve access, quality and efficiency of care. These funds have been allocated to be spent towards the Integrated Clinical System, Shared Client Index, Diagnostic Imaging, Operating Room Scheduling, Lab Results Reporting and Staff Scheduling .

13. Commitments

As of March 31, 2005, SHIN is committed to developing information technology applications totalling $11,134. The following table outlines the funds dedicated for capital expenditures, the corresponding funding agency, and the percentage refundable.

Capital Expenditure Project	Total Budgeted Costs	04/05 Expenditures	05/06 Committed Expenditures	Percentage Refundable	Funding Agency
Pharmacy Information Program	$ 4,312	$ 699	$ 3,613	75%	Canada Health Infoway
Shared Client Index	6,878	1,954	4,924	75%	Canada Health Infoway
Diagnostic Imaging	1,333	449	884	100%	Canada Health Infoway
Provider Registry version 3.0	303	176	127	75%	Canada Health Infoway
Wayfinding-System Navigation	160	6	154	100%	Western Health Initiative Collaborative
Integrated Clinical System	1,721	806	915	-	
Other	670	153	517	-	
Total	$ 15,377	$ 4,243	$ 11,134		

14. Restatement Of Prior Year Amounts

During 2004-05, SHIN adopted new standards of accounting for non-financial assets recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Along with this change in accounting policy, a new financial statement presentation was introduced. This new presentation introduces non-financial assets as a separate category of assets on the Statement of Financial Position. It also results in the annual surplus and accumulated surplus being calculated using the expense basis of accounting, as opposed to the expenditure basis, used previously. Also, introduced is a new statement, the Statement of Change in Net Financial Assets, which reconciles the annual surplus calculated on the expense basis to the annual change in net financial assets. Net financial assets is calculated as liabilities less financial assets.

Under the new recommendations, tangible capital assets are recorded as non-financial assets on the Statement of Financial Position. The cost of SHIN's use of these assets, during the year, is recorded as an expense in the Statement of Operations. Prior to 2004-05, tangible capital assets were recorded as expenditures in the period acquired. The effect of this change in accounting policy in the previous year is an increase in assets of $14,689 million and an increase in the accumulated surplus of $14,689 . SHIN has retroactively restated comparative figures to record this change in accounting policy.

15. Comparative Figures Notes

Prior year figures have been reclassified to conform to present year presentation.